THE MINISTER OF RAILWAYS (SHRI NITISH KUMAR): (a) and (b) Final Location Survey report has become available and is presently under examination in consultation with the Railways. The work would be taken up after the report is finalized. The work would be progressed depending upon availability of resources in the coming years.

(c) Seven proposals for gauge conversion and traffic facilities for improvement of the rail infrastructure were received from N.F. Railway. Three of these proposals have since been included in the Railway Budget 2001-02.

Cut in Railway expenditure

*478. SHRI NARENDRA MOHAN: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that the operating ratio of the Railways has been worsening over the years, rising to 98.8 per cent, as per the estimates of 2000-2001;

(b) if so, whether the Railways are considering to launch an all-out drive to cut its expenditure, without cutting the current plan size, in any way;

(c) what are the Major Heads under which expenditure is proposed to be cut and what is the targeted percentage of cut; and

(d) what was the actual operating cost in 2000-2001 *viz-a-viz* the estimates for that year?

THE MINISTER OF RAILWAYS (SHRI NITISH KUMAR): (a) to (c) Yes Sir. The operating ratio of the Railways has been deteriorating since 1995-96 mainly due to implementation of the recommendations of the Vth Central Pay Commission which increased the working expenses inordinately due to steep rise in the staff costs on Railways. The Ordinary Working Expenses rose from Rs. 16186 crore in 1996-97 to Rs. 27534 crore in 2000-01 (Provl.) registering a growth of 70%. The pension expenditure also increased from Rs. 2509 crore to around Rs. 5100 crore during this period, an increase of almost 100%. The earnings, however, could not keep pace with the growth in expenditure mainly due to sharp reduction in loading in 1998-99 as a result of economic slow-down. The combined effect of increase in staff expenditure and the earnings not keeping pace has resulted in deterioration of the Operating Ratio. In 2000-01, the operating ratio was originally budgeted at 98.8% but it has marginally improved to 98.3% (Provisional) in the actuals.

The Railways have been making vigorous efforts to improve the operating ratio by controlling expenditure and augmenting earnings. Some of the important measures being teken include:

(i) Measures to control expenditure by improving staff productivity, assets utilisation, inventory management, fuel consumption, austerity in areas such as travel, publicity, hospitality etc.

(ii) For improving earnings, aggressive marketing with improve freight services and commercial incentives.

(iii) All efforts are being made to curb leakage of revenue and pilferages.

The Zonal Railways have also been asked to effect savings in Ordinary Working Expenses, which are spread over Demands for Grants 3 to 12 of the Railways, by around 900 crore in 2001-02. This works to around 3% of the total Ordinary Working Expenses. As of now there is no cut in the plan size of the Railways.

(d) In the year 2000-01, the actuals of the Ordinary Working Expenses, which represent mainly the maintenance and the operating costs of the Railways, are Rs 27,534 crore (Provisional) as against Rs. 27,815 crore in the Revised Estimates.

Representation on Board of Governors/KVs

*479. SHRI ABDUL GAIYUR QURESHI:
SHRI BRATIN SENGUPTA:

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether it is a fact that there is no representation of employees or employees associations, either on Kendriya Vidyalayas or its Board of Governors at present;

(b) if so, the rational thereof;

(c) whether such a provision existed in early nineties; and

(d) if so, the circumstances and considerations which prompted Government to withdraw/cancel it?